



NEWS

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See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

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COMMISSION ACTS TO PROTECT U.S. CONSUMERS AND U.S. CARRIERS ON U.S.-PHILIPPINES TELEPHONE ROUTE

Washington, D.C. – Today, the Commission reinforced its commitment to protect U.S. consumers and U.S. carriers on U.S.-international routes. Responding to anticompetitive and retaliatory behavior by certain carriers in the Philippines, the Federal Communications Commission took action to preserve the ability of consumers and carriers to enjoy competitive prices for calls to the Philippines.

Affirming a prior decision by the International Bureau, the Commission agreed that six Philippine carriers had disrupted the U.S.-Philippine networks of certain U.S. carriers. In its action today, the Commission affirmed the previous order, which:

- Found that the Philippines carriers “whipsawed” U.S. carriers by:
 - acting collectively to demand rate increases from U.S. carriers, and
 - retaliating against AT&T’s and MCI’s refusal to agree to the Philippine carriers’ demand for rate increases for termination services on their networks in the Philippines.
- Ordered carriers providing facilities-based services to suspend payments for termination services to the Philippine carriers pending restoration of circuits. (After its action in this proceeding, the Bureau lifted the suspension of payments against all Philippines carriers upon notification by U.S. carriers that the Philippines carriers ceased blocking traffic and notification that circuits were fully restored.)
- Removed the Philippines from the Commission’s list of routes approved for International Simple Resale (ISR).
- Required that, upon restoration of the circuits, U.S. carriers comply with the Commission’s International Settlements Policy (ISP) for traffic terminated on the U.S.-Philippine route.

The Commission's decision today did not grant requests of both the Philippine and U.S. carriers to restore ISR to the Philippines route and eliminate the requirement that U.S. carriers make payments in accordance with the ISP. In the Commission's recent *2004 ISP Reform Order*, it decided to eliminate the ISR policy and to remove the ISP from benchmark-compliant routes. The question of whether the U.S.-Philippines route is benchmark-compliant will be addressed in a public comment process as described in the *2004 ISP Reform Order*. The *2004 ISP Reform Order* set out a process by which interested parties could make public comment on those routes that the Commission believed were benchmark-compliant but that had not been approved as such through a public process. Because the ISR policies were eliminated and the question of whether benchmark-compliance will be out for public comment, the Commission today dismissed in part the Applications for Review to the extent they requested reinstatement of ISR.

Action by the Commission, May 13, 2004, by Order on Review (FCC 04-112). Chairman Powell, Commissioners, Abernathy, Copps, Martin, and Adelstein.

-FCC-

IB Docket No. 03-38

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